



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Kim Walesh
Angel Rios, Jr.
Jennifer A. Maguire

SUBJECT: SEE BELOW

DATE: April 24, 2015

Approved

Date

4/24/15

**SUBJECT: ADOPTION OF 2014-2015 APPROPRIATION ORDINANCE
AMENDMENTS IN THE GENERAL FUND TO FUND THE SAN JOSÉ
WORKS: YOUTH JOBS INITIATIVE**

RECOMMENDATION

Adopt the following 2014-2015 Appropriation Ordinance Amendments in the General Fund:

- (a) Establish a City-Wide appropriation to the Office of Economic Development for San José Works: Youth Jobs Initiative (SJ Works) in the amount of \$161,000; and
- (b) Decrease the Personal Services appropriation to the Parks, Recreation and Neighborhood Services (PRNS) Department by \$161,000.

OUTCOME

The recommended appropriation actions will make available funding to support the start-up and initial operation of the SJ Works program in 2014-2015. Commencing on May 2014 and continuing through September 2015, the SJ Works program will serve approximately 218 youth ages 14 to 21 years old as referred by the Mayor's Gang Prevention Task Force, PRNS, and San José Best Agencies. The SJ Works program will support job readiness training, supportive services, and job placement of youth in subsidized employment with participant wages paid by the City of San José.

BACKGROUND

In 2009, utilizing the federal American Recovery and Reinvestment Act (ARRA) funding, work2future, a division of the Office of Economic Development, developed and operated a large scale summer youth employment program, whereby approximately 900 youth completed work readiness training, and approximately 850 youth successfully completed the required 8 to 10 weeks on-site work experience program. Depending on age, youth worked approximately 20 to 30 hours per week.

Capitalizing on the success of the 2009 ARRA summer youth employment program, in 2010, work2future contracted with the County of Santa Clara to deliver a subsidized summer employment program for 769 CalWorks, CalFresh, and foster youth ages 15 to 17 years old. The program was funded by the California Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (ECF) with a 20% in-kind contribution by the City of San José. Youth were assigned counselors and received training in work readiness intended to shape positive work habits. Over 85% of the youth completed the training and over 80% of the youth earned work experience.

County of Santa Clara 2015 Summer Employment Program

Currently, the City's work2future is in the final stages of developing the Youth Summer Employment Program (SEP) with funding secured from the County of Santa Clara. Based on the success of the 2009 and 2010 summer employment programs and recognizing the significant time constraints to structure and implement the program, the County of Santa Clara Administration recommended the City's work2future as an allowable single-source contractor. In addition, the City's work2future program's infrastructure, consisting of approximately 200 service sites located throughout the County, allows for immediate launch of an effective summer youth employment program.

The Youth SEP will serve 500 CalWORKs, CalFresh, and foster youth ages 16 to 21 years old by providing job readiness training, supportive services, and job placement after successful completion of training. Approximately 200 youth will be placed in subsidized employment with wages paid by the work2future Foundation (Foundation) and 300 youth will be placed in unsubsidized employment with wages paid by participating employers.

On February 10, 2015, the County Board of Supervisors unanimously approved the City's work2future to create and provide the Youth SEP as a pilot program based on timing and the success of prior joint undertakings between the City's work2future and the County. On April 14, 2015, the City Council approved funding to implement the Youth SEP. The City's work2future is in the final stages of developing the Youth SEP and have been actively marketing the program to employers and corporate foundations. To date, the City's work2future has received a wide range of employers' commitments with over 400 employment opportunities under the Youth SEP.

San José Works: Youth Jobs Initiative

As part of the 2015-2016 Mayor's March Budget Message approved by the City Council on March 24, 2015, the Administration was directed to allocate one-time funding of \$1.02 million as part of the 2015-2016 Proposed Budget to create a two-year "San José Works: Youth Jobs Initiative," seeding the first year of the initiative.

If the program is approved, youth ages 14 to 21 years old as identified by the Mayor's Gang Prevention Task Force, PRNS, or San José Best Agencies will be eligible for referral to the subsidized SJ Works Initiative. In light of the extremely limited time frame for program implementation, SJ Works anticipates placing a large number of the youth in subsidized employment with the PRNS and San José Best Agencies with wages paid by City funds.

The program's proposed operating design reflects a partnership operation and staffing structure:

- For all youth, the Foundation will be the employer of record;
- City's work2future staff will provide overall program oversight and evaluation, job readiness training provision of supportive services for the youth and administrative support;
- PRNS staff will be responsible for providing the ongoing supervision of the youth located at City community centers and San José Best Agencies, and other locations (private employers, other nonprofit agencies, and others); and
- In addition to these employment opportunities, youth work experience will be offered at libraries, other City Departments, and potentially with other nonprofit employers.

ANALYSIS

The SJ Works program will support the recently updated Mayor's Gang Prevention Task Force Workplan for 2015-2017 in demonstrating strong community desire for an expanded youth jobs initiative. In addition, as directed in the 2015-2016 Mayor's March Budget Message, as approved by the City Council on March 24, 2015, the 2015-2016 Proposed Operation Budget will include the addition of the San José Works: Youth Jobs Initiative in the amount of \$1.02 million. If this proposal is approved by the City Council, the funding will be available in July 2015. However, to deliver the SJ Works program this summer, it is necessary to start work in the current fiscal year. It is anticipated that \$161,000 will be spent in 2014-2015 to provide start-up operational funding for the SJ Works.

It is recommended that the initial funding be provided by reallocating projected PRNS personal services savings derived from department vacancies. The \$161,000 amount of projected salary savings is expected to be sufficient to cover the costs required to commence the initial service delivery of SJ Works during the remainder of 2014-2015 in advance of the approval of the 2015-2016 budget.

As previously mentioned, staffing and operations of the SJ Works Initiative will be a joint undertaking between PRNS and City's work2future. Once funding is appropriated, the City will amend its existing contract with the Foundation to allocate funding for the SJ Works Initiative to provide initial program services. Services provided will include workshops designed to enhance the participants' job readiness, development of worksites, job placement of participants, and job support to ensure the successful performance of participants.

If approved, the funding plan for the total \$1.02 million for the SJ Works Initiative will provide contractual services through the Foundation while the City's work2future will be responsible for administrative and program oversight, provision of supportive services, and job readiness training. Of the \$1.02 million funding proposed for the SJ Works Initiative, approximately \$657,000 is estimated to fund the entire 2015 SJ Works summer youth work experience program. Of this amount, \$161,000 is projected to be spent in 2014-2015, and \$496,000 would be spent in 2015-2016. The remaining balance of \$363,000 would be available for additional programming in 2015-2016.

The table below shows the projected SJ Works 2015-2016 Summer Program budget:

Youth Salaries: *	
Youth Salaries 14-16 (average salary: \$1,262.30 x 109 participants)	\$137,590
Youth Salaries 17-21 (average salary: \$1,454.00 x 109 participants)	158,486
Total Youth Salaries	\$296,076
Program and Administrative Staff Costs (recreation leaders, specialists, and administrative support)	173,100
Leadership Training Consultants Costs	35,000
Client Related Expenses	47,350
Other Expenses (supplies, mileage, facilities, utilities, copier rental, etc.)	65,200
Administrative Oversight Costs	40,000
Total Projected Budget	\$656,726

* Note: Youth ages 14 to 16 years old with no previous work history will be paid no less than 85% of the minimum wage for up to 160 hours of work (Youth participants for the SJ Works Initiative will be working a maximum of 130 hours). Wages for youth ages 17 to 21 years old are based on the City of San José prevailing minimum wage and the County of Santa Clara Youth Summer Employment Program.

EVALUATION AND FOLLOW-UP

Actions in this memorandum will allocate the funding to support the start-up and initial service delivery of the program through the remainder of 2014-2015. Budget actions will be brought forward for City Council consideration as part of the 2015-2016 Proposed Budget to add the program funding.

If approved, ongoing progress reports and information on the final outcomes will be submitted to the Mayor, City Council, Mayor's Gang Prevention Task Force, Community and Economic Development Committee and work2future Board.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda Website for the May 5, 2015, City Council Meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action supports Initiative 7 of the City's Economic Development Strategy, "Prepare Residents to participate in the Economy through Training, Education, and Career Support."

COST SUMMARY/ IMPLICATIONS

Funding of \$161,000 will support the initial start-up and service delivery for the SJ Works Initiative commencing in May 2015. This summer program, which will continue through September 2015, will serve and place 218 youth in subsidized employment.

The recommended budget actions in this memorandum will establish a City-Wide appropriation to the Office of Economic Development in the amount of \$161,000 to cover anticipated initial program costs for SJ Works and will be funded by a decrease in the PRNS Personal Services appropriation in the amount of \$161,000. The delivery of this program, however, is contingent upon the approval of the proposal in the 2015-2016 Proposed Budget. With this funding advance, the amount of resources needed in 2015-2016 totals \$859,000 to reach the total program budget of \$1,020,000. This would potentially free up the \$161,000 to either advance funding for the following year to support this program or to be reallocated to other uses as part of the 2015-2016 budget process.

BUDGET REFERENCE

The following table identifies the funds and appropriations proposed to fund the program recommended as part of this memorandum:


Fund #	Appn. #	Appn. Name	Total Appn.	Rec'd. Budget Action	2014-2015 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	NEW	San José Works: Youth Jobs Initiative	N/A	\$161,000	N/A	N/A
001	0641	PRNS Personal Services	\$35,487,388	-\$161,000	VIII - 214	02/10/2015, 29533
Total			N/A	\$0		

CEQA

Not a project; File No. PP10-067 (b): Appropriation Ordinance.

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